

Financial warfare poses threat to Lyndon LaRouche

by Edward Spannaus

Post-trial court rulings in Lyndon LaRouche's libel suit against the National Broadcasting Corporation (NBC) have created an extremely dangerous security situation for the former independent presidential candidate. The rulings permitting the enforcement of NBC's outrageous \$3 million verdict against LaRouche, already an endangered public figure, come at the same time that concerted financial harassment of organizations associated with LaRouche is intensifying.

In a hearing held in Federal Court in Alexandria, Virginia, on Nov. 30, Judge James C. Cacheris denied a motion by LaRouche's attorney to stay enforcement of the NBC judgment while post-trial motions and the appeal are pending. Despite trial testimony that LaRouche has virtually no personal assets, Judge Cacheris refused to waive the requirement for posting of a bond, which would require posting collateral well in excess of the amount of the \$3 million judgment. By giving NBC the go-ahead to attempt to enforce the judgment, the judge gave the pretext for the creation of a security incident provoked by NBC or corrupt federal officials.

The \$3 million judgment was awarded by a tainted jury on NBC's counterclaim of harassment and interference with business relationships after the jury had found in favor of NBC and the Anti-Defamation League (ADL) on LaRouche's claims against them for libel and conspiracy. These two verdicts were virtually pre-ordained by a series of legal rulings issued by Judge Cacheris, the most egregious of which allowed NBC reporters to testify concerning their conversations with unnamed "confidential sources." This ruling, quickly dubbed the "Caspar the Ghost" ruling, permitted the introduction of hearsay and unverified testimony without the victim of the libel having any opportunity to examine or cross-examine these unseen, ephemeral sources.

Not only was the jury subjected to day after day of such unverified, inflammatory testimony, but NBC and the *Washington Post* themselves teamed up to add verisimilitude to their charges by contaminating the real-life atmosphere around the trial. On the first day of the trial, NBC claimed that producer Pat Lynch had received a death threat from a LaRouche associate. In violation of court rules, NBC attorneys leaked information concerning the incident to a *Washington Post* reporter; two jurors admitted seeing the headline of the

ensuing story. Cacheris denied LaRouche's motion for a mistrial. A few days later, a juror actually quit the jury; leading to another *Washington Post* story, "Juror Cites Fear in LaRouche Case, Is Dismissed." Again, Cacheris denied a mistrial motion by LaRouche's attorneys.

LaRouche's post-trial motion to set aside or reduce the \$3 million judgment argued both that there was insufficient evidence to support the verdict against LaRouche, and that the size of the award was the result of "passion and prejudice" by the jury. Indicative is that the jury awarded \$3 million in punitive damages, but only \$2,000 in actual, or compensatory, damages.

In the Nov. 30 hearing, Judge Cacheris reserved judgment on LaRouche's motion to set aside or reduce the judgment, but simultaneously denied LaRouche's motion to stay the execution of the judgment—even though there may not be a final ruling on the motion to set aside the judgment until January or February. Meanwhile, under federal procedural rules, no appeal can be taken on the counterclaim verdict, although the appeal will proceed on Cacheris's rulings on the main libel case.

An important setback was suffered by the ADL when Judge Cacheris denied their motion for \$300,000 in sanctions against LaRouche's attorneys and LaRouche himself. The ADL had brought the motion under Rule 11 of the Federal Rules of Civil Procedure, which permits the award of sanctions against attorneys who bring frivolous lawsuits. In denying the motion, Cacheris held that nothing improper had been done by LaRouche's attorneys with regard to either the filing of the lawsuit or their conduct during the trial.

Cacheris' dangerous ruling concerning the enforcement of the NBC judgment coincides with an intensification of dirty tricks being run against LaRouche election campaign contributors and against LaRouche-associated publishing companies. At the instigation of the FBI and the U.S. Secret Service, banks holding bank accounts of the campaigns and such companies have seized various accounts, while FBI and Secret Service agents have harassed the campaign contributors and the subscribers to LaRouche-associated publications.

This has resulted in a wave of lawsuits and counter-lawsuits, including a federal civil-rights action brought against the FBI and its director William Webster in Boston, and a \$10 million lawsuit against First National State Bank (now known as First Fidelity Bank) in Newark, New Jersey. In turn, First Fidelity brought a libel action against Independent Democrats for LaRouche (IDL) and others, trying to stop distribution of a leaflet and "wanted" poster charging the bank and its president with grand larceny for illegally taking \$200,000 out of LaRouche campaign accounts.

Although First Fidelity succeeded in getting a Temporary Restraining Order against IDL in state court, IDL lawyers removed the bank's case to federal court, where another application for a TRO was denied by the federal judge on First Amendment grounds on Nov. 26.